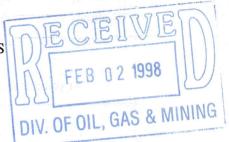


STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291

Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

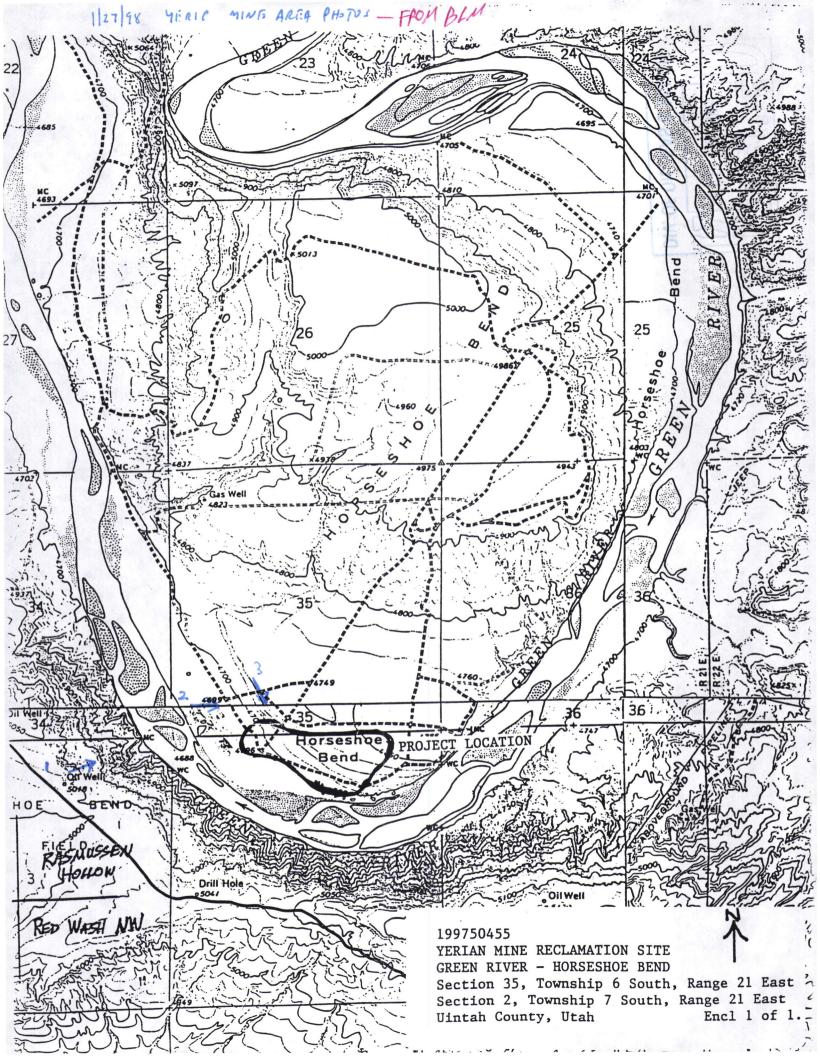
The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I.	Genera	al Information
	1.	Report Time Period: From (mo./yr.) $01-97$ To (mo./yr.) $12-97$
	2.	DOGM File Number (Mine No): 5 / 047/ 034
	3.	Mine Name: YERIAN
	4.	Mineral(s) Mined (or permitted to mine):
	5.	Type of mine
	6.	Legal Description (Location of Lands Affected):
		1/4,1/4, Section, Township, Range
7.	Name	of Operator or Company: GOLDEN EAGLE MINES LTD
	8.	Permanent Street Address: /3532 - /// ST.
		City, State, Zip: EDMONTON, ALTA. TSE 428
		Phone: 403 - 4753954
; -	9.	Company Representative (or designated operator): Name: WALTER BABIY
		Title:
		Business Address: Box /26 CHERIT
		City, State, Zip: CHERHILL ALTA. TOE OJO
		Phone: 403 785 2663
		Please check if any of the above information has changed since previous year.
II.	<u>Mining</u>	g and Reclamation
	1.	Was the mine active during the past year? Yes □ No □
	2.	If active, how much ore or mineral was mined?
	3.	If inactive, what year was the mine last active?

	3.	How much additional acreage was disturbed during the past year?
	4.	Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.
5.		How much acreage was reclaimed during the past year?
6.		Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
7.		What is the total disturbed acreage at years end?
8.		Briefly summarize any mining and/or reclamation plans for the upcoming year.
NOTE:		Section III., "Additional Information" applies only to large mining operations.
II. <u>Additio</u>	nal I	<u>information</u>
1.		An updated surface facilities map should be attached if there have been significant changes since the previous submitted.
2.		Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.
V. <u>Signat</u>	ture .	<u>Requirement</u>
I h	ereb	y certify that the foregoing is true and correct.
		Name (Typed or Print): NESTOR PUKALO
		Title of Operator: PRES
		Signature of Operator:
8		Date: 27 /998
D MR-AR		$^{\prime\prime}$



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United States Department of the Interior

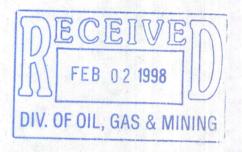
BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, Utah 84078-2799

Phone: (435) 781-4400 Fax: (435) 781-4410

IN REPLY REFER TO:

3809 76092 (UT08300) January 30, 1998



Tony Gallegos State Of Utah Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 884114-5801

Re: Yerian Mine Status and Plan of Operation Submission

Dear Tony:

I wanted to inform you that a natural resources protection specialist from this office was in and about the Horseshoe Bend area on 1/27/98. He took the enclosed 3 photographs (index map of locations, numbers, and direction of photos is enclosed; descriptions are on the rear). The location is in the same condition as when we had the joint on site some months ago.

Also, SF Phopshates has filed a plan of operation with the BLM to drill a water well to provide water for the increased volume of product being milled (plan enclosed; assigned serial no. UTU 76092). If the well produces enough water, the well site will be enclosed with a small building which will be fenced. An overhead electric line and a buried water line will be run along an existing two track road which runs north-south between the well site and SF's private property. This is a plan with us due to the presence of an area of critical environmental concern; it is probably a small mine operation under State rules. The plan is incomplete and we have asked for more information in an 11/21/97 certified letter.

If you have any questions, please contact me at (435) 781-4501.

Sincerely,

Peter K. Sokolosky

Geologist, Vernal Field Office

enclosures